

INSTRUCTIONS FOR THE CONTINUOUS SKILLED NURSING EXPENSE REPORT

General Information: The Continuous Skilled Nursing (CSN) Expense Report is used to verify that agencies are paying the direct care nurses the minimum level of compensation in accordance with regulation 114.3 CMR 50.05. A copy of the regulation, CSN Expense Report (Microsoft Excel format) and the instructions are available on the Division's web site at www.mass.gov/dhcfp/csn.

Due Date: May 15, 2008

Assistance: For assistance or for any questions relevant to completing this worksheet, please contact Clare MacPherson at (617) 988-3243.

Where to File: Jessica McKeage
Public Records Officer/Intake
Division of Health Care Finance and Policy
2 Boylston Street
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New Item: Please note that the report and filing requirements have been changed as follows:

Report Additions: Two newly added columns

- **Minimum Compensation (column 14):** This column has been added so that each agency can determine if the CSN Nurses are being paid according to regulatory requirements. The values are derived by multiplying the regulatory hourly MCV Rate (column 3) times the number of CSN hours worked (column 6) for each procedure code.
- **Pass (Fail) Variance (column 15):** The total of this column indicates if the agency has or has not met the mandatory minimum compensation value paid to the CSN Nurses. The variance is calculated by subtracting the Minimum Compensation paid to the CSN Nurses (column 14) from the agency Total Compensation (column 13). If the total of column 15 is a positive value then, it is a good indicator that the agency may have passed the minimum compensation value test. If the total is a negative value, then this indicates that the agency is not compensating the CSN Nurses accordingly.

Filing and Record Retention Requirements:

- If the agency passed the minimum compensation value test as indicated by the positive total in column 15, only the CSN Expense Report (Exhibit I) has to be submitted by the filing due date. However, each agency is responsible to retain the non-submitted exhibit documentation in case the agency is audited at a later date.

INSTRUCTIONS FOR THE CONTINUOUS SKILLED NURSING EXPENSE REPORT

- If the agency failed the minimum compensation value test as indicated by the negative total in column 15, then all of the Exhibits I – IX as described in the instructions must be submitted by the filing due date.

Filing Requirements: The following documentation is required in support of direct care costs.

I. Continuous Skilled Nursing (CSN) Expense Report:

- The CSN Expense Report must be completed based upon the calendar year consistent with the regulations (114.3 CMR 50.00) in effect for the reporting period.
- Include only the direct care nursing costs related to agency nurses providing hands-on continuous skilled nursing services to MassHealth members in the CSN Expense Report.
- Do not include overtime premium related payroll data in the CSN Expense Report.
- Do not include the incurred but unpaid liability for earned time off such as vacation, sick, personal, bereavement, etc.
- Combine all the MassHealth data on the CSN Expense Report and report the data by the regulatory procedure codes and modifiers in effect for the reporting period.
- The total hours and salary paid by procedure code should agree with the total hours and salary paid by procedure code included in Exhibit III – List of CSN Staff.
- Using the regulatory procedure codes in column 1, complete the columns in the CSN Expense Report as follows:
 - Column 4 Total Hours Billed: Report the total hours billed to MassHealth for the CSN services provided during the reporting period.
 - Column 5 Total MH Payment: Report the total payment received from MassHealth for the CSN Service Hours billed in Column 4.
 - Column 6 Total Hours Worked: Report the total CSN Direct Care hours worked for the reporting period.
 - Column 7 Total Salary Paid: Report the total CSN salaries paid for direct care services provided during the reporting period. Total CSN Salary Paid includes all CSN paid earnings such as regular wages, retro active pay, bonuses and paid time off (PTO) i.e.: vacation, sick, personal, bereavement, etc.

INSTRUCTIONS FOR THE CONTINUOUS SKILLED NURSING EXPENSE REPORT

- Column 8 – Column 12 Payroll Taxes and Benefits: Indicate the percentage of salary for the payroll taxes and benefits in the header row. Report the payroll tax and benefits amounts attributable to the CSN Direct Care Services in the designated columns. If an amount is reported in Column 12, then the type of expense(s) included in Column 12 must be identified on the designated line.
 - Column 13 Total Compensation: Report the sum of columns 7-12 (salary, payroll taxes and benefits).
 - Column 14 Minimum Compensation: Report the product of multiplying columns 3 times column 6 (Hourly Rate x the Total CSN Hours Worked).
 - Column 15 Pass (Fail) Variance: Report the difference from subtracting column 14 from column 13 (Total Compensation – Minimum Compensation).
- Complete the agency's demographic information and contact information on the designated lines in the CSN Expense Report. A contact person is required in case there are any questions regarding the submitted CSN Expense Report.
 - Please check all of the information in the CSN Expense Report carefully prior to signing this form. Once you are satisfied that the information on the CSN Expense Report is accurate to the best of your knowledge, print your name, sign your name and enter the date on the designated lines.
 - If the agency met the Minimum Compensation Value paid to the CSN Nurses based upon the variance in Exhibit 1 (CSN Expense Report) column 15, you only need to submit Exhibit 1 (CSN Expense Report) at this time. However you must retain the exhibit (II-IX) documentation in case the agency is audited at a later date.
 - If the agency did not meet the Minimum Compensation Value paid to the CSN Nurses based upon the variance in Exhibit I (CSN Expense Report) column 15, then the following exhibits must be submitted along with the Exhibit I CSN Expense Report.

II. Written description of your payroll system: Please provide a written description of the agency's payroll system, tracking method, and allocation method for reporting the CSN nurses' hours and salaries by the appropriate regulatory procedure code.

III. List of CSN Staff: Please submit a worksheet by regulatory procedure code (column headers) and employee (rows) that identifies the name of each private duty nurse, number of CSN Hours worked, the amount of CSN Salary paid, grand total by procedure code and grand total by employee. The grand total of hours worked and salary paid by procedure code in this worksheet should equal the corresponding totals (columns 6 and 7) in the CSN Expense Report Exhibit I). Please reconcile all variances. See example below.

INSTRUCTIONS FOR THE CONTINUOUS SKILLED NURSING EXPENSE REPORT

Employee Name	T1002 CSN Hours	T1002UJ CSN Salary	T1002UJ CSN Hours	T1002UJ CSN Salary	T1002 CSN Hours	T1002 CSN Salary	T1003 CSN Hours	T1003 CSN Salary	T1003UJ CSN Hours	T1003UJ CSN Salary	T1002TT CSN Hours	T1002TT CSN Salary	Total CSN Hours	Total CSN Salary
John Doe	10	350	5.25	175	4	200							19.25	725
Grace Healey	20	700			10	500					10.5	735	40.5	1,935
Amanda Jones							50	1,250	20.5	615			70.5	1,865
Tim Wallace							100	3,600	8	208			108	3808
Total	30	1,050	5.25	175	14	700	150	4,850	28.5	823	10.5	735	238.25	8,333

IV. Copy of the year-to-date payroll register for the final pay period ending of 2007: Please submit a copy of the payroll register for the final pay period ending of 2007. The payroll register must reflect the accumulated year to date regular hours worked, regular wages paid, payroll taxes and benefits by employee and must have an identifier for those employees that are included in Exhibit III.

If the CSN Staff appear on more than one department's or division's payroll register within the organization or are included in an entity's combined payroll register that is too large to copy i.e.: a hospital payroll register, then you may submit the individual payroll register pages that reflect the required payroll information in paragraph one of this section for the CSN Staff included in Exhibit III plus the payroll register(s) summary page(s) and the key code in lieu of the entire payroll register. If this report contains social security numbers this information may be obliterated. If there are two or more individuals with the same names then the final four numbers of the social security number should be left readable.

V. Allocation of Payroll Taxes, Fringe Benefits, Travel and Other

Please submit a worksheet with supporting documentation for the basis used to allocate the payroll taxes, fringe benefits, travel and other expenses reported in the CSN Expense Report columns 7-12. The worksheet must show the actual calculation and the numbers in the calculation must be traceable to the supporting documentation. Submit the profit and loss statement, YTD Payroll Register Summary Page from the Wage & Tax Register, or any other financial statement that reflects the gross expense being allocated.

VI. Summary for CSN Allocated Hours: Please explain the method and submit supporting documentation for the allocation of CSN compensation and hours worked, if the nurses provided services other than continuous skilled nursing.

VII. Reconciliation of columns 4 and 6 in the CSN Expense Report: Please explain and reconcile all variances that exist, if any, between CSN Hours billed and worked.

INSTRUCTIONS FOR THE CONTINUOUS SKILLED NURSING EXPENSE REPORT

VIII. 941s: Please submit signed copies of the four quarterly 941s along with a copy of the YTD Summary Page from the Payroll Wage and Tax Register for the reporting period. Provide a reconciliation of the payroll and income taxes withheld in combined total of the 941s to the corresponding year to date amounts in the summary page of the payroll wage and tax register.

IX. Year End Accruals and Adjusting Entries: Please submit copies of the year end accruals and adjusting entries referenced in reconciling salaries, payroll taxes and benefits in Exhibits IV and VIII.